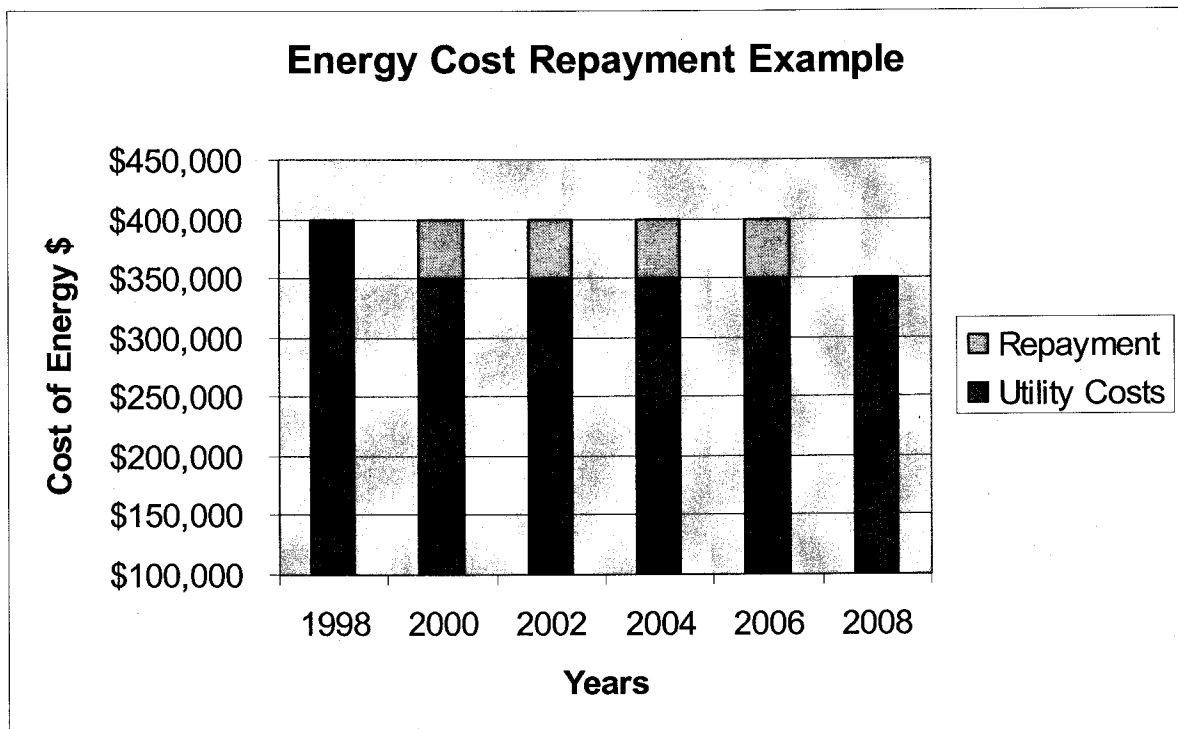# State Buildings Energy Conservation Program
Savings Calculation Example

How energy costs are calculated

- Energy study provides initial information
- Design is completed
- Energy analysis is refined based on design and savings calculated
- Savings are determined from energy costs at the time of the project and are not changed during the project. This is because the energy savings amount is moved from the agency's base budget to DEQ for repayment of costs.

Energy Cost Repayment Example

Legend: Repayment, Utility Costs

- Once repayment is set, based on the first year energy savings, it remains constant.
- After the project has paid for itself, the agency budget is reduced by the amount of the repayment.

Avoided costs are not reported

- Energy cost savings are reported based on the amount repaid. There is not a comparison to what would have been paid if the project had not been completed. This understates the effect that the program has on avoided energy costs and associated savings to the state budgets. Energy CAP software, once it is fully operational, will allow us to provide avoided cost information.

Avoided Costs Not Reported

Y-axis (Cost of Energy $): $350,000 / $300,000 / $250,000 / $200,000 / $150,000 / $100,000 / $50,000 / $-

X-axis (Savings): 1998 2000 2002 2004 2006 2008

Legend: —— Energy Costs ····· Savings